

Tax Calculations for 2011 Under Current Law and Alternative

	Hubbard	Clark	Davis	Smith	Barnes	Evans	Davis*	Smith*	Barnes*	Evans*	New
Filing Status	Single	Head	Joint	Single	Joint	Joint	Joint	Single	Joint	Joint	Joint
Children for EITC and Child Credit Over 65	Yes	3			1	4			1	4	2
Itemized Deductions Current Law							Yes	Yes	Yes	Yes	Yes
Itemized Deductions Alternative								Yes	Yes	Yes	
Wage Income	18,000	47,000	90,000	100,000	170,000	275,000	90,000	97,000	158,100	255,750	120,000
Dividend Income	-	-	-	-	-	-	-	1,000	8,500	13,750	-
Long-term Gains Income	-	-	-	-	-	-	-	2,000	3,400	5,500	-
Total Income	18,000	47,000	90,000	100,000	170,000	275,000	90,000	100,000	170,000	275,000	120,000
Tax Calculations Current Law											
Adjusted Gross Income	18,000	47,000	90,000	100,000	170,000	275,000	90,000	100,000	170,000	275,000	120,000
Income Tax Before Credits and AMT	1,058	3,555	12,911	21,054	34,568	66,645	11,091	17,272	28,154	52,952	15,907
AMT	0	0	0	0	0	3,005	0	0	0	4,708	0
EITC	0	0	0	0	0	0	0	0	0	0	0
Child Credit	0	1,500	0	0	0	0	0	0	0	0	151
Income Tax After Credits	1,058	2,055	12,911	21,054	34,568	69,650	11,091	17,272	28,154	57,660	15,756
Average Income Tax Rate	5.9%	4.4%	14.3%	21.1%	20.3%	25.3%	12.3%	17.3%	16.6%	21.0%	13.1%
Marginal Income Tax Rate (Wages)	15.0%	15.0%	28.0%	31.0%	31.0%	35.0%	28.0%	28.0%	28.8%	35.0%	26.0%
Marginal Income Tax Rate (Gains)	10.0%	10.0%	20.0%	20.0%	20.0%	27.0%	20.0%	20.0%	20.8%	27.0%	20.0%
Marginal Income Tax Rate (Dividends)	15.0%	15.0%	28.0%	31.0%	31.0%	35.0%	28.0%	28.0%	28.8%	35.0%	26.0%
Tax Calculations Alternative											
Adjusted Gross Income	18,000	47,000	90,000	100,000	170,000	275,000	90,000	98,950	165,835	268,262	120,000
Income Tax Before Credits and AMT	0	1,455	7,890	17,705	24,725	56,480	7,890	16,288	23,534	47,297	11,300
AMT	0	0	0	0	0	0	0	0	0	0	0
EITC	0	0	0	0	0	0	0	0	0	0	0
Child Credit	0	3,000	0	0	0	0	0	0	0	0	1,450
Income Tax After Credits	0	-1,545	7,890	17,705	24,725	56,480	7,890	16,288	23,534	47,297	9,850
Average Income Tax Rate	0.0%	-3.3%	8.8%	17.7%	14.5%	20.5%	8.8%	16.3%	13.8%	17.2%	8.2%
Marginal Income Tax Rate (Wages)	0.0%	15.0%	15.0%	35.0%	25.0%	35.0%	15.0%	35.0%	25.0%	35.0%	30.0%
Marginal Income Tax Rate (Gains)	0.0%	9.8%	9.8%	22.8%	16.3%	22.8%	9.8%	22.8%	16.3%	22.8%	16.3%
Marginal Income Tax Rate (Dividends)	0.0%	9.8%	9.8%	22.8%	16.3%	22.8%	9.8%	22.8%	16.3%	22.8%	16.3%
Alternative - Current Law											
Adjusted Gross Income											
Income Tax Before Credits and AMT	-1,058	-2,100	-5,021	-3,349	-9,843	-10,165	-3,201	-1,050	-4,165	-6,738	-4,607
AMT						-3,005		-984	-4,620	-5,655	
EITC										-4,708	
Child Credit		1,500									1,299
Income Tax After Credits	-1,058	-3,600	-5,021	-3,349	-9,843	-13,170	-3,201	-984	-4,620	-10,363	-5,906
Average Income Tax Rate	-5.9%	-7.7%	-5.6%	-3.3%	-5.8%	-4.8%	-3.6%	-1.0%	-2.7%	-3.8%	-4.9%
Marginal Income Tax Rate (Wages)	-15.0%		-13.0%	4.0%	-6.0%		-13.0%	7.0%	-3.8%		4.0%
Marginal Income Tax Rate (Gains)	-10.0%	-0.3%	-10.3%	2.8%	-3.8%	-4.3%	-10.3%	2.8%	-4.6%	-4.3%	-3.8%
Marginal Income Tax Rate (Dividends)	-15.0%	-5.3%	-18.3%	-8.3%	-14.8%	-12.3%	-18.3%	-5.3%	-12.6%	-12.3%	-9.8%

1) Marginal rates calculated by adding \$1000 separately for each type of income and then calculating the change in taxes for the \$1000 change in income.

2) Itemized deductions are assumed to be 18% of AGI with 1/3 of them state and local tax deductions (and thus disallowed under the AMT)

3) Long-term gains are assumed to be held more than one year but less than 5 years. (Under current law in 2011, gains held more than 5 years have a maximum rate of 18%).